

Recent reports have indicated that the Obama Administration is in "advanced talks" about providing a bailout to financial firm CIT Group, Inc., a leading lender to small and midsize companies. CIT is looking for access to FDIC's government guaranteed debt program, which would allow them to borrow at lower than market rates with taxpayers taking on the risk of default. They are arguing that if they go down, they could take other firms with them.

However unfortunate this may be to several individual firms, it will not bring down the system. In September and October 2008 we were staring down a global financial meltdown, but now that people have had time to reassess their strategies and re-adjust their business models to the new reality, we'll see which firms are strong enough to stand on their own and those which cannot. But, this doesn't mean they must cease to exist. Bankruptcy is a long-standing, legitimate process that gives companies the time and ability to restructure their finances to hopefully reemerge as viable entities.

Government should not intervene in this situation. CIT has many options and putting taxpayers at risk should not be one of them